

**REAL ESTATE PORTFOLIO AND COMPLIANCE SECTION STATUS REPORT**  
**September 9, 2021**

**I. Former Hawaii Rental Housing System Revenue Bond Fund Properties**

**A. Project Renovation Status (Sold Properties)**

Property	Estimated Construction Compl. Date	Percent Complete* As of 7/21	Percent Complete* As of 6/21
Kauhale Kakaako	4/22	94%	94%
Kekuilani Courts	8/21	99%	99%
Pohulani Elderly	8/22	57%	42%
Honokowai Kauhale	8/22	43%	37%
Lailani Apartments	12/22	2%	2%
Kamakee Vista	11/22	3%	3%

\* Reflects the percentage of the general contractor construction contract value that has been expended at the end of each period.

**B. Lailani Apartments Montessori School**

**1. Collections Summary**

Performance Trend	7/21	6/21
Commercial		
Expected Revenue:	\$ 3,000	\$ 3,000
Uncollected Revenue:	\$ -	\$ -
A/R Rate:	0.00%	0.00%

2. In April 2018, HHFDC transmitted a proposal to Hawaii Montessori School regarding a possible leasehold sale of the property to the school, which is on a month-to-month tenancy and has a historical rent arrearage of approximately \$270,000. On August 9, 2021, HHFDC was informed that the executive director recently left. The school will send a catch-up rent payment of approximately \$11,000 upon receipt of new checks.

**C. Kauhale Kakaako**

1. On June 25, 2021 HHFDC acquired a 2,013 square foot parcel of land from the City and County of Honolulu for \$160,000. HHFDC previously leased the land from the City on a long-term basis.

**II. Dwelling Unit Revolving Fund Properties**

**A. Kulia I Ka Nuu**

**1. Project Unit Status**

Performance Trend	As of 7/21	As of 6/21	As of 7/20
Total Units:	72	72	72
Rentable Units:	70	70	70
Vacant Units:	4	4	6
Vacancy Rate:	5.71%	5.71%	8.57%

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2. Collections Summary

Performance Trend	7/21	6/21
Residential		
Expected Revenue:	\$ 72,139	\$ 72,139
Uncollected Revenue:	\$ 19,052	\$ 22,324
A/R Rate:	26.41%	30.95%
Commercial		
Expected Revenue:	\$ 2,849	\$ 2,849
Uncollected Revenue:	\$ -	\$ -
A/R Rate:	0.00%	0.00%

3. The property management agent is awaiting a quotation for the installation of a separate natural gas tank that is required to proceed with the long-term ground lease of the Resource Center property to Alternative Structures International (dba Kahumana). As of July 31, 2021, the refuse bin was transferred to Kahumana.
4. Request for Proposals No. 22-001-REC seeking proposals from qualified and experienced offerors able to provide commercial real estate investment sales services for the project was published on July 28, 2021. Proposals are due on August 31, 2021.
5. A Cancellation of Declaration for Holding Tank Facility has been executed and was recorded on July 30, 2021 at the Bureau of Conveyances. The preparation of title continuation is being conducted by Old Republic Title Company.

**B. Waipahu Community Adult Day Health Center and Youth Day Care Center**

1. HHFDC terminated the ground lease with Waipahu Community Adult Day Health Center and Youth Day Care Center (Waipahu Community) effective October 31, 2018 due to uncured lease defaults.
2. On November 20, 2018, the Department of the Attorney General transmitted a letter to Waipahu Community demanding that it vacate the premises. A Complaint for Ejectment was filed on June 12, 2019, and the parties have been participating in on-and-off settlement discussions. Trial is set to begin on April 11, 2022.

**III. USDA Rural Development**

**A. Nani O Puna**

1. Project Unit Status

Performance Trend	As of 7/21	As of 6/21	As of 7/20
Total Units:	32	32	32
Rentable Units:	31	31	31
Vacant Units:	0	0	3
Vacancy Rate:	0.00%	0.00%	9.68%

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2. Collections Summary

Performance Trend	7/21	6/21
Residential		
Expected Revenue:	\$ 31,997	\$ 31,997
Uncollected Revenue:	\$ 1,540	\$ 2,639
A/R Rate:	4.81%	8.25%

3. At its August 13, 2020 regular meeting, the Board approved various modifications to the Award of Request for Proposals No. 12-003-DEV Partnering to Preserve Affordable Housing: Kekuilani Gardens and Nani O Puna. The RFP award was made in 2013, and the sale of Kekuilani Gardens closed in 2016. The Nani O Puna closing had been delayed due to lava-flow threats and financing challenges, and the buyer submitted its loan transfer approval application to USDA-RD in November 2020. Staff is in the process of negotiating a Purchase and Sale Agreement with the buyer, which is expected to be executed by August 31, 2021. Closing is expected to take place by December 2021.

Prepared by:

Lanz Dong, Real Estate and Compliance Specialist 

For Chris Woodard, Real Estate Portfolio Manager 

Reviewed by:

Janice Takahashi, Chief Planner 